

ER 60-526719

STAT

16 JUL 1960

W. J. Ward
Mr. A. G. Wigglesworth
Wigglesworth Machinery Company
60 Border Street
P. O. Box 166
East Boston 28, Massachusetts

Dear Mr. Wigglesworth:

Thank you for your letter of July 5th. For the past several years I have been engaged in seeking to acquaint the American public more fully with the economic developments in the Soviet Union and their significance. Hence, I am always delighted to hear from someone who is taking a serious interest in the problem.

As you say, the Soviets do a good bit of exaggerating. It is my Agency's job to examine all these claims in exhaustive detail. It is clear from the questions you ask that you appreciate the difficulties of measuring and forecasting economic growth, especially for a country which releases so few and such carefully selected statistics as the Soviet Union.

I am pleased to enclose a copy of the testimony which I gave to the Subcommittee on Economic Statistics of the Joint Economic Committee of Congress last November, in which Soviet claims are critically examined, and my Agency's own alternative estimates are presented. This discusses most of the questions you raised. With respect to the comparative birth rates, the latest statistics show the rate in the USSR to be slightly higher than that in the U.S. The Soviet schedule for the introduction of the 35 hour work week is not quite so fast as you indicated. The present announced plan is to begin the transition to the 35 hour week in 1964 and complete it in 1968. This, after all, is a few years away. Our evaluation is that they will complete this if their plans for labor productivity are successful. If not, the 35 hour work week will be postponed.

(EXECUTIVE REGISTRY FILE *W*)

I think you will find it rewarding to study the large number of papers submitted by academic experts on the Soviet economy to the Subcommittee on Economic Statistics last year. In these you will see that the CIA findings have been by and large confirmed by the work of independent scholars. These have been published by the Joint Economic Committee of Congress under the title "Comparisons of United States and Soviet Economies, Parts I, II, and III."

Sincerely,

SIGNED

Allen W. Dulles
Director

Enclosure:

Testimony to Joint Economic Committee
dated 13 November 1959

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OUTLOOK FOR RUSSIA'S GROWTH: A CIA REPORT

How fast can Soviet Russia grow in the next 10 years?

Here are estimates given to Congress by the Central Intelligence Agency:

- Total production, or gross national product, will rise 80 per cent in the decade ahead. By 1970, Soviet production will be close to the U. S. level of 1958.
- Standard of living of the average Soviet worker "probably" will be 40 per cent higher than it is today.

Red China's economy also will grow rapidly, the CIA said. Chinese industrial production was "less than 7 per cent" of Russian production in 1950, but "may have grown to about 16 per cent by 1958 and, by 1965, could increase to about 25 per cent."

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July 5, 1960

Mr. Allen Dulles
c/o The Central Intelligence Agency
Washington 25, D. C.

Dear Mr. Dulles:

The attached clipping is from the July 11th U. S. News and World Report Magazine.

I have just recently returned from Soviet Russia which causes me to ask you the question as to how your agency arrives at these estimates in view of the facts:

- 1 - Almost fifty percent of the Soviet population is engaged in production of food.
- 2 - It is obvious that their efficiency in any job or business is very low.
- 3 - Their birth rate is far less than United States.
- 4 - They claim they are going to reduce the work week to thirty-five hours within the next one, two or three years.

There were about forty on this trip, and the consensus of opinion seemed to be that the Soviets do a good bit of exaggerating, to say the least.

I will be very pleased to hear from you.

Sincerely yours,

A. G. Wigglesworth

AGW/fg

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